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**WINN PARISH CLERK OF COURT
WINNFIELD, LOUISIANA
ANNUAL FINANCIAL REPORT
JUNE 30, 2002**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/19/03

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INDEPENDENT AUDITORS' REPORT

Honorable Donald E. Kelley
Winn Parish Clerk of Court
Winnfield, Louisiana

We have audited the accompanying general purpose financial statements of the Winn Parish Clerk of Court, a component unit of the Winn Parish Police Jury, as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Winn Parish Clerk of Court. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Winn Parish Clerk of Court, as of June 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued a report dated December 30, 2002 on our consideration of the Winn Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Winn Parish Clerk of Court. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



White & Bates
December 30, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

WINN PARISH CLERK OF COURT

STATEMENT A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 2002

	GOVERNMENTAL		FIDUCIARY		ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
	FUND TYPE		FUND TYPE		GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATION		
	(AGENCY FUNDS)		ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND				
	GENERAL FUND (SALARY)							
ASSETS								
Cash and Cash Equivalents (Note 2)		\$ 83,631	\$ 300,254	\$ 442,598				\$ 826,483
Investments (Note 3)			110,220					110,220
Accounts Receivable (Note 4)		9,388						9,388
Due From Other Funds (Note 6)		3,505						3,505
General Fixed Assets (Note 5)					\$ 233,861			233,861
Amount to be Provided for Retirement of General Long Term Obligations							\$ 1,760	1,760
TOTAL ASSETS		<u>\$ 96,524</u>	<u>\$ 410,474</u>	<u>\$ 442,598</u>	<u>\$ 233,861</u>		<u>\$ 1,760</u>	<u>\$ 1,185,217</u>
LIABILITIES AND FUND EQUITY								
LIABILITIES:								
Accounts Payable	\$	2,499						\$ 2,499
Payroll Withholdings		6,859						6,859
Due to Other Funds (Note 6)			\$ 3,505					3,505
Capital Leases Payable (Notes 8 & 9)						\$ 1,760		1,760
Unsettled Deposits (Note 11)			406,969	\$ 442,598				849,567
TOTAL LIABILITIES		<u>9,358</u>	<u>410,474</u>	<u>442,598</u>	<u>-</u>		<u>1,760</u>	<u>864,190</u>
FUND EQUITY:								
Investment in General Fixed Assets					\$ 233,861			233,861
Unreserved-Undesignated Fund Balance		<u>87,166</u>						87,166
TOTAL FUND EQUITY		<u>87,166</u>	<u>-</u>	<u>-</u>	<u>233,861</u>		<u>-</u>	<u>321,027</u>
TOTAL LIABILITIES AND FUND EQUITY		<u>\$ 96,524</u>	<u>\$ 410,474</u>	<u>\$ 442,598</u>	<u>\$ 233,861</u>		<u>\$ 1,760</u>	<u>\$ 1,185,217</u>

The accompanying notes are an integral part of this statement.

WINN PARISH CLERK OF COURT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL -
 GOVERNMENTAL FUND TYPE - GENERAL FUND (SALARY)
 FOR THE YEAR ENDED JUNE 30, 2002

			VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:	<u>BUDGET</u>	<u>ACTUAL</u>	
Licenses And Permits - Marriage	\$ 2,000	\$ 2,575	\$ 575
Fees, Charges, And Commissions For Services:			
Court Costs, Fees, And Charges	160,000	180,945	20,945
Fees For Recording Legal Documents	125,000	157,845	32,845
Fees For Photocopies Of Documents	25,000	25,486	486
Supplemental Compensation Fund Receipts	13,000	14,325	1,325
Use Of Money And Property - Interest Received	10,000	10,252	252
Miscellaneous	<u>15,000</u>	<u>25,861</u>	<u>10,861</u>
 TOTAL REVENUES	 <u>350,000</u>	 <u>417,289</u>	 <u>67,289</u>
EXPENDITURES:			
Current:			
Personal Services And Related Benefits	280,000	291,402	(11,402)
Operating Services	56,000	62,219	(6,219)
Materials And Supplies	10,000	5,686	4,314
Travel And Other Charges	10,000	11,359	(1,359)
Debt Service:			
Principal	3,800	4,040	(240)
Interest	<u>200</u>	<u>248</u>	<u>(48)</u>
 TOTAL EXPENDITURES	 <u>360,000</u>	 <u>374,954</u>	 <u>(14,954)</u>
Excess (Deficit) of Revenues Over Expenditures	(10,000)	42,335	52,335
Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues and Other Sources Over Expenditures	(10,000)	42,335	52,335
FUND BALANCE AT BEGINNING OF YEAR	<u>44,831</u>	<u>44,831</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 34,831</u>	<u>\$ 87,166</u>	<u>\$ 52,335</u>

The accompanying notes are an integral part of this statement.

WINN PARISH CLERK OF COURT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE CLERK OF COURT - The Winn Parish Clerk of Court serves as the ex-officio notary public and the recorder of conveyances, mortgages and other acts as provided by the State of Louisiana Constitution of 1974 and has numerous other duties and powers as provided by law. The clerk of court is a parish-wide elected official and serves for a term of four years upon election.

The following is a summary of the more significant accounting policies:

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Winn Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

B. REPORTING ENTITY

The clerk of court is an independently elected official; however, the clerk of court is fiscally dependent on the Winn Parish Police Jury. The police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent of the police jury, the clerk of court was determined to be a component unit of the Winn Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

(Continued)

WINN PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002

C. FUND ACCOUNTING

The clerk of court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions of activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect expendable available financial resources.

Funds of the clerk of court are classified into two categories: governmental (General Fund) and fiduciary (agency funds). The funds and account groups are described as follows:

GOVERNMENTAL FUND TYPE

General Fund (Salary) - The General Fund, as provided by Louisiana Revised Statute (R.S.) 13:781, is the principal fund of the clerk of court and accounts for the operations of the clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

FIDUCIARY FUND TYPE

Agency Funds - The Advance Deposit and Registry of Court Funds account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS

General Fixed Assets - This account group is established to account for all fixed assets used in governmental fund type operations. General fixed assets provided by the Winn Parish Police Jury, which are not significant, are not recorded within the general fixed assets account group. Fixed assets are valued at historical cost or estimated historical cost if

(Continued)

WINN PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002

historical cost is not available. No depreciation has been provided on general fixed assets. The account group is not a fund and is concerned only with the measurement of financial position and does not involve measurement of results of operations.

General Long-Term Obligations - Long-term obligations expected to be financed from the General Fund are reported in the general long-term account group. Expenditures for principal and interest obligations are recognized in the General Fund when paid.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying component unit financial statements have been prepared under generally accepted accounting principals as it related to governmental bodies and the General Fund uses the following practices in recording its revenues and expenditures:

All revenues in the General Fund are recognized as revenue in the year in which they are earned and available for use except for interest income which is recognized when received.

Expenditures of the General Fund are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGETARY PRACTICES

As required by Louisiana Revised Statutes, the Winn Parish Clerk of Court prepared and legally adopted a budget for the General Fund for the year ended June 30, 2002. The proposed budget was prepared using generally accepted accounting principles, which is consistent with the basis of accounting used in the preparation of the accompanying general purpose financial statements. The proposed budget was made available for the public inspection on June 15, 2001. All budget appropriations lapse at year-end.

(Continued)

WINN PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002

Formal budget integration within the accounting records is not employed as a management control device. The clerk of court does not use encumbrance accounting. The budget amounts shown in the general purpose financial statements represent the original adopted budget as amended on June 12, 2002.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in interest bearing demand deposits. Cash equivalents include amounts in time deposits. Time deposits are stated at cost. Under current state law, the clerk of court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. INVESTMENTS

State statutes authorize the Winn Parish Clerk of Court to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost.

H. COMPENSATED ABSENCES

The Winn Parish Clerk of Court provides vacation and sick leave to its full-time employees as follows:

<u>PERIOD OF CONTINUOUS SERVICE</u>	<u>VACATION DAYS</u>
Six Months to One Year	5
Over One Year	10

The above described vacation days are not cumulative and must be used during the period earned and, accordingly, the Winn Parish Clerk of Court has no accumulated and vested benefits related to vacation leave which require accrual.

(Continued)

WINN PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002

I. TOTAL COLUMN ON COMBINED STATEMENTS

The total column on the combined statements is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

J. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements.

2. CASH AND CASH EQUIVALENTS

At June 30, 2002, the carrying amount of the clerk's deposits with financial institutions was \$835,352 and included in these deposits were time deposits of \$246,349. These deposits are stated at cost, which approximates market, and under state law, these deposits (or the resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. All the clerk's bank balances were fully covered by federal deposit insurance or by the pledge of securities having a market value of \$877,442 at June 30, 2002. The pledged securities are held by a trustee financial institution of the pledging bank in the name of the Winn Parish Clerk of Court.

3. INVESTMENTS

Investments held at June 30, 2002, include \$110,220 in the Louisiana Asset Management Pool Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.165, the investment in LAMP at June 30, 2002, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a

(Continued)

WINN PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002

non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local government in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 361 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

4. ACCOUNTS RECEIVABLE

The accounts receivable at June 30, 2002, recorded in the General Fund, represent billings on account for photocopy charges and recordation of legal documents. No allowance for doubtful accounts is required.

5. CHANGES IN GENERAL FIXED ASSETS

The changes in general fixed assets for the year ended June 30, 2002 is as follows:

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Automobile	\$ 18,468	\$ -	\$ -	\$ 18,468
Office Furniture	67,643			67,643
Office Equipment	<u>147,750</u>			<u>147,750</u>
Total	<u>\$233,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$233,861</u>

(Continued)

WINN PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002

6. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2002 are as follows:

<u>FUND</u>	<u>DUE FROM OTHER FUND</u>	<u>DUE TO OTHER FUND</u>
General Fund	\$ 3,505	
Advance Deposit Fund		\$ 3,505

7. PENSION PLAN

Substantially all employees of the clerk of court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (504) 293-1162. The Winn Parish Clerk of Court does not guarantee the benefits granted by the System.

Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Winn Parish Clerk of Court is required to contribute at an actuarial determined rate. This current rate is 10.00% of annual covered payroll. Contributions to the System include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and

(Continued)

WINN PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002

the Winn Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Winn Parish Clerk of Court total contributions to the system for the years ending June 30, 2002, 2001, and 2000, were \$20,798, \$19,074, and \$18,708, respectively, and were equal to the required contributions for each year.

8. CAPITAL LEASES

The Winn Parish Clerk of Court has an automobile under lease-purchase agreement which has been reflected in these general purpose financial statements as a general long-term debt obligation. The term of the lease is as follows:

	<u>Automobile</u>
Lease Date	January 16, 1998
Total Amount Lease	\$21,439.80
Monthly Principal and Interest Payments	\$357.33
Term	60 months

Under the terms of these leases, the title to the assets transfers to the Winn Parish Clerk of Court at the end of the lease term. The following is a summary of the future minimum lease-purchase payments and the present value of the net minimum lease-purchase payments at June 30, 2002 for the Automobile lease:

<u>Year Ending</u> <u>June 30</u>	<u>Amount</u>
2003	\$ <u>1,787</u>
Total Lease Payments	1,787
Less: Interest Portion of Payments	(<u>27</u>)
Present Value of Net Minimum Lease Payment	<u>\$ 1,760</u>

(Continued)

WINN PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation (Capital Leases) transactions during the year:

<u>Long-Term Obligations</u>	<u>Amount</u>
July 1, 2001	\$ 5,800
Additions - Borrowings	-
Deductions - Principal Payments	(4,040)
June 30, 2002	<u>\$ 1,760</u>

10. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Winn Parish Clerk of Court provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the clerk's employees become eligible for those benefits if they reach normal retirement age while working for the clerk. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employees and the clerk. The clerk recognizes the cost of providing these benefits (clerk's portion of premiums) as an expenditure when the premiums become due. For the year ended June 30, 2002, the costs of retiree benefits totaled \$ 11,669. There are currently six participants eligible to receive benefits under this program.

11. UNSETTLED BALANCES

The following is a summary of changes in agency fund unsettled balances:

	<u>BALANCE JULY 1, 2001</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE JUNE 30, 2002</u>
Advance Deposit Fund	\$ 384,304	\$ 295,424	\$ 269,254	\$ 410,474
Registry of Court Fund	<u>456,209</u>	<u>17,943</u>	<u>31,554</u>	<u>442,598</u>
Total	<u>\$ 840,513</u>	<u>\$ 313,367</u>	<u>\$ 300,808</u>	<u>\$ 853,072</u>

(Continued)

WINN PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002

12. EXPENDITURES MADE BY WINN PARISH POLICE JURY

The Winn Parish Police Jury during the year ended June 30, 2002 made expenditures of some \$39,419 for the benefit of the Winn Parish Clerk of Court. These expenditures were primarily for operating services (computer maintenance) and materials and supplies (binding & microfilm).

The Winn Parish Police Jury also provides the clerk of court with office facilities and the related utility costs for such facilities.

13. COMMITMENTS

Leases that do not meet the criteria for capitalization are classified as operating leases with related rentals charged to current operating expenditures. There were no future minimum lease payments under non-cancelable operating leases at June 30, 2002.

14. LITIGATION

The Winn Parish Clerk of Court was not involved in any litigation at June 30, 2002.

15. CONTINGENT LIABILITY

The Winn Parish Clerk of Court utilizes the reimbursement method for employee unemployment taxes and, accordingly, is contingently liable for the cumulative benefits paid to any employee who is eligible for such benefits at termination of employment. At June 30, 2002, no employee had terminated employment which resulted in an unemployment benefit claim.

16. EXCESS FUND BALANCE

Louisiana Revised Statutes require that every four years (at the close of the clerk's term of office) the clerk must pay the parish treasurer the portion of the General Fund balance that exceeds one-half of the revenues of the clerk's last year in the term of office. This amount is limited to no more than which was received by the clerk for office furniture, equipment, and record books during his term in office. At June 30, 2002, there was no amount due the parish treasurer as this is not the last year of the clerk's four-year term of office, and no determination of the amount that will be due, if any can be made at this time.

(Continued)

WINN PARISH CLERK OF COURT

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 2002

17. OTHER DISCLOSURES

There were no subsequent events or related party transactions that require disclosures in these notes to the June 30, 2002 general purpose financial statements.

18. FINANCIAL STATEMENT PRESENTATION

GASB Statement No. 34, Basic Financial Statements and Managements's Discussion and Analysis, when implemented by the Winn Parish Clerk of Court in a future period, will alter the form and content of the financial statement presentation. Accordingly, the existing financial statements do not represent the new GASB 34 financial reporting model for governmental bodies, but represent the pre GASB 34 financial reporting model.

(Concluded)

WHITE & BATES

CERTIFIED PUBLIC ACCOUNTANTS

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FAX (318) 628-3988

LAWRENCE I. WHITE, C.P.A.

STEVEN F. BATES, C.P.A.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Donald E. Kelley
Winn Parish Clerk of Court
Winnfield, Louisiana

We have audited the general purpose financial statements of the Winn Parish Clerk of Court, a component unit of the Winn Parish Police Jury, as of and for the year ended June 30, 2002, and have issued our report thereon dated December 30, 2002, which was unqualified. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Winn Parish Clerk of Court's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Winn Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the

normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and others within the organization, and is not intended and should not be used by anyone other than these specified parties.

White & Bates

White & Bates
Winnfield, LA 71483
December 30, 2002

FIDUCIARY FUND TYPE - AGENCY FUNDS

Advance Deposit Fund - The Advance Deposit Fund is used to account for advance deposits on suits filed by litigants and for collections on child support suits reimbursed to the clerk by the Louisiana Department of Health & Human Services. The advances are refundable to the litigants after all costs have been paid.

Registry of Court Fund - The Registry of Court Fund is used to account for funds which have been ordered by the court to be held until judgement has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

SCHEDULE 1

WINN PARISH CLERK OF COURT

SCHEDULE OF CHANGES IN UNSETTLED DEPOSIT BALANCES, BY FUNDS -
FIDUCIARY FUND TYPE - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>
UNSETTLED DEPOSIT BALANCES AT JULY 1, 2001	\$ 384,304	\$ 456,209
ADDITIONS		
Deposits:		
Suits and Successions	291,548	707
Interest Earned	<u>3,876</u>	<u>17,236</u>
Total Additions	<u>295,424</u>	<u>17,943</u>
Total	<u>679,728</u>	<u>474,152</u>
REDUCTIONS		
Clerk's Costs (Paid to General Fund)	165,518	-
Litigant Settlements, Refunds, Witness and Suit Costs, etc.	67,658	31,554
Sheriffs' Fees	32,055	-
Interest - (Paid to General Fund)	<u>4,023</u>	<u>-</u>
Total Reductions	<u>269,254</u>	<u>31,554</u>
UNSETTLED DEPOSIT BALANCES AT JUNE 30, 2002	<u>\$ 410,474</u>	<u>\$ 442,598</u>

Supplementary schedule. Presented as additional analytical data.